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Luxury brands need to embrace Chinese cultural norms: Dealmoon exec

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Chinese model Liu Wen for Liu Wen for Chlo. Image credit: Chlo

By SARAH RAMIREZ

NEW YORK As luxury brands look to attract high-spending Chinese millennials, a streamlined, mobile-first shopping experience and product recommendations should be two priorities.

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Chinese shopping recommendation site Dealmoon has integrated cultural preferences, such as user reviews, luxe packaging and smaller size availability, into its ecommerce platform to draw in Chinese affluents. In a presentation titled "Selling Out Before Your Official Product Launch How Digital Drives the Passion and Buying Frenzy of Online Luxury Consumers" at Luxury Interactive on Oct. 15, a Dealmoon executive explained the specific shopping needs of the ultra-influential Chinese consumer, a segment that is currently driving much of luxury's growth.

"The Chinese do not shop like you and I do," said Rose Blackmore, senior managing director of business development and partnerships for the U.S. and Canada, at [Dealmoon](#). "They do a ton of a research and they talk about their experience."

Ecommerce experiences

Chinese consumers are responsible for one-third of all global luxury sales, and millennial Chinese especially are driving luxury ecommerce sales.

According to Dealmoon, 80 percent of Chinese millennials will spend more on luxury goods in 2018 than they have in previous years. Since many are more affluent now than their parents were in their early adulthood, discretionary spending abounds.



Chinese actor Li Bingbing for Gucci. Image credit: Gucci

The most popular luxury purchases among Chinese women include handbags and shoes.

Referrals from friends and influencers are key for Chinese shoppers, and many will also share their own purchase experiences on social media.

Live-streaming shopping trips is extremely popular among younger consumers, and it is not uncommon for these broadcasts to last more than two hours and attract 1 million viewers. Unboxing videos and styled product photos are also frequently shared online.



Dealmoon's Rose Blackmore speaks at Luxury Interactive 2018

Free delivery and mobile payment options meet the minimum standards for Chinese shoppers.

To further engage Chinese consumers, Web sites must be intuitive and offer superior user experiences. Another overlooked area is product availability, since Chinese shoppers tend to flock towards smaller sizes.

Creating a special experience with elevated packaging is crucial to make Chinese millennials and Gen Zers feel valued. Exclusive tokens of appreciation from luxury brands or an early product launch can also make a large impact on shoppers.

"Twelve hours of early access can make a huge difference with this audience of very selective audience group," said Ms. Blackmore.

Cultural awareness

Since Dealmoon originally launched in the United States with the intention to attract Chinese consumers, the platform continues to take stock of important touchstones in Chinese culture. Singles Day, the largest ecommerce shopping day of the year, is of great importance.

Celebrated annually, Singles Day was created in 1993 by students at China's Nanjing University as an alternative to Valentine's Day for consumers not involved in romantic relationships. With self-gifting in China on the rise, shopping holidays such as Singles Day offers brands and retailers an opportunity to tap into "unattached" Chinese consumers.

Given the size of its social community, brands featured on Dealmoon, especially during a shopping holiday such as Singles Day, will benefit from the Web site's reach. Likewise, teaming up with a local player is useful for brands that may be unfamiliar with Chinese cultural norms ([see story](#)).

While luxury brands continue to court Chinese millennials, the nation's Generation Z population is coming of age with their own set of tastes and priorities that retailers and marketers need to keep in mind.

Not only do Gen Z Chinese affluents differ from their older counterparts, but they also have different priorities than their parents and grandparents. Despite a reputation of being entitled and self-absorbed, a recent survey from Agility Research found high-spending Chinese youth to be self-aware with a special appreciation for luxury.

Luxury brands that resonate among young Chinese affluents include classic brands such as Chanel and Dior, as well as more understated labels including Chlo and Givenchy. Gucci, which has seen a resurgence stateside, was more polarizing among Chinese Gen Zers for becoming flamboyant ([see story](#)).

"These shoppers need to be the first," Ms. Blackmore said.

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